

MEMORANDUM

April 29, 2014

TO: Craig L. Rice, President, County Council

FROM: Isiah Leggett, County Executive

SUBJECT: Change to Recommended Adjustments to the FY15 Operating and Capital Budgets

I would like to make you aware of some good news conveyed to me by the State that could substantially raise the State's contribution to school construction for FY 15. The Interagency Committee on School Construction (IAC) today recommended providing Montgomery County a total of \$39.95 million in traditional State aid. Including an aging schools contribution of \$603,000 that was approved by the General Assembly, the total is \$40.553 million.

Prior to this announcement, I sent to you my recommended adjustments to the FY 15 Recommended Operating Budget and the FY 15 Recommended Capital Budget and FY15-20 Capital Improvements Program (CIP) that included an estimate for traditional State aid for school construction of \$35.6 million. This was the amount Montgomery County expected to receive.

Last year, Montgomery County received about \$35.7 million in State school construction dollars, so this year's total is nearly \$5 million more. Over the past eight years, the County will have received over \$300 million in State school construction funding – despite the Great Recession and fiscal difficulties – compared with about \$250 million in the eight years before I assumed office.

As you know, the Board of Public Works (BPW) must approve the IAC's recommendation, but we fully expect it will do so. The BPW has already approved 90 percent of the basic program and the Maryland General Assembly has approved the aging schools amount. The BPW will meet next month to approve the final 10 percent.

I recommend adding the additional funding reflected in the IAC's recommendation to the total request in my recommended budget adjustments. This would bring my total recommended funding for Montgomery County Public Schools to a record \$1.533 billion, a 12.3 percent increase (\$167.8 million) from the amount previously approved for FY15 in the FY 13-18 CIP. The IAC's action today is an important step in

securing more school construction aid from the State to build and renovate our schools. This is good news for Montgomery County and the many students that will benefit from these dollars. However, we must continue our efforts to meet the facility needs of all our students. I look forward to working with you to accomplish this task in the coming year.